

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO. 04-_____

v. : DATE FILED: _____

CHI WAI LEUNG : VIOLATIONS: 26 U.S.C. § 7206(1)
(False Tax Returns-
2 Counts)

INFORMATION

COUNT ONE

(26 U.S.C. § 7206(1))

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant Chi Wai Leung was President and owner of Kinny Women Fashion, Inc., ("Kinny") a sewing assembly business that was located at 910 Cherry Street in Philadelphia, Pennsylvania.

2. Defendant Chi Wai Leung through the operations of Kinny provided services as a sewing sub-contractor to various clothing manufacturers in the Philadelphia area and received payments for these services, often in the form of checks.

3. Defendant Chi Wai Leung used check cashing agencies in Philadelphia and New York City to cash certain checks from Kinny's customers totaling approximately \$453,046 for calendar years 1999 and 2000. These cash receipts were not deposited into the corporate bank accounts of Kinny and were not otherwise recorded on the books and records of Kinny as business receipts.

4. Defendant Chi Wai Leung used cash funds to make wage payments "under the table" to employees of Kinny totaling approximately \$282,716 for years 1999 and 2000, which resulted in unpaid corporate income taxes and federal payroll taxes due and owing, totaling approximately \$34,877 for 1999 and \$44,351 for 2000.

5. On or about April 17, 2000, in the Eastern District of Pennsylvania, defendant,

CHI WAI LEUNG,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a U. S. Corporation Income Tax Return, Form 1120, for Kinny Women Fashion, Inc. for the calendar year 1999, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which return defendant Chi Wai Leung did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$655,571 (Line 1a), and salaries and wages in the total amount of \$217,335 (Line 13), when, in fact, as defendant Chi Wai Leung well knew, Kinny Women Fashion, Inc. had gross receipts/sales in addition to that stated, and salaries and wages in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO

(26 U.S.C. § 7206(1))

THE UNITED STATES ATTORNEY CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are alleged as if fully restated.
2. On or about June 18 , 2001, in the Eastern District of Pennsylvania, defendant

CHI WAI LEUNG,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a U. S. Corporation Income Tax Return, Form 1120, for Kinny Women Fashion, Inc. for the calendar year 2000, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service on or about August 20, 2001, which return defendant Chi Wai Leung did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$329,820 (Line 1a), and salaries and wages in the total amount of \$142,143 (Line13), when, in fact, as defendant Chi Wai Leung well knew, Kinny Women Fashion, Inc. had gross receipts/sales in addition to that stated, and salaries and wages in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

PATRICK L. MEEHAN
United States Attorney
Eastern District of Pennsylvania

